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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 02/02/07

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ARTICLES:

(1) Return of Kadena RAPCON delayed; Timeframe unknown; USFJ realignment could be affected; Japanese air-traffic controller: Not enough training time to reach expertise level

RYUKYU SHIMPO (Top play) (Excerpts)
February 2, 2007

It was learned on Feb. 1 that the reversion of Okinawa RAPCON, the air-traffic control system around the island of Okinawa that continued after Okinawa was returned to mainland Japan and was scheduled for reversion by December this year, will likely be delayed beyond the original timeframe. This was revealed by sources connected to the Japanese and American governments. The extent of the delay is unknown. Under the final USFJ realignment agreement reached last May, a portion of Yokota Air Base's RAPCON was to be returned by Sept. 2008, but it was written in the agreement that consideration as the condition for such reversion would include "the lesson learned from the experience of returning the Kadena RAPCON." The delay will have an effect on realignment of US forces in Japan.

Training on the Japanese side to reach expert's level in operating the system began on Dec. 15, 2004, at Kadena Air Base, where Kadena RAPCON is located. US military air traffic controllers trained Japanese air-traffic controllers dispatched to the base. According to an informed source, the schedule became crammed because the US side carried out their daily duties while training new US military air-traffic controllers. It took more time than expected to learn communications with US military jets, which fly at higher speeds than civilian aircraft, and to learn the military jargon. Although approximately 40 persons were scheduled for training, only about

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half are finished with the training course.

The radar and system to transmit weather conditions to aircraft are different between Japan and the US, so it reportedly will likely take more time to set up a system for sharing information.

(2) Okinawa police compile statistics for 2006 showing 56 crimes involving US forces or a total of 63 persons, a drop of 9 cases from 2005; Crimes involving youths increase by seven cases

OKINAWA TIMES (Page 30) (Full)
February 2, 2007

Crimes by US forces in Okinawa, civilian employees, and family members that occurred in 2006 totaled 57 cases and 63 persons, according to records of the Okinawa Prefectural Police Department's First Investigation Division. Compared to the year before, there was a reduction of nine cases (minus 13.6%) or two persons (minus 3%). This was the smallest number of cases and persons involved in five years. However, Looking only at juvenile crimes, the records show 23 cases or a total of 28 persons having been involved. This is a 7 case or 12 person jump from the previous year, indicating a noticeable increase of crimes committed by US military-related family members.

According to the same police records, the worst three crimes were: 1) a taxi robbery in January by a Marine and another within Camp Sukeran; 2) robbery and injury in October by a Marine and another in the city of Uruma; 3) robbery in December by the son of a civilian attached to the Navy at Chatan-son. Five persons were arrested or charged. This was an increase of one case or one person from the previous year.

In addition, there were 10 cases involving acts of violence, such as rape and wounding, up three cases from the previous year; 21 cases of theft involving 27 persons; and nine cases of white-collar crimes like fraud and embezzlement involving five persons. Other crimes, including damage to property and forced entry into a home, totaled 14 cases or 14 persons.

(3) No progress made on abduction victims reported by North as dead

since Megumi case reported a decade ago

ASAHI (Page 15) (Full)
February 1, 2007

Ten years have passed since the issue of Megumi Yokota abducted by North Korea came to light through media reports and Diet interpellations. Centering on the Association of the Families of Victims Kidnapped by North Korea, established in March 1997, a campaign to rescue abduction victims has been actively staged. Such a relief campaign compelled then Prime Minister Koizumi to decide to go to North Korea in September 2002. In the Japan-North Korea summit, the North admitted kidnapping Japanese nationals. Pyongyang also agreed to let five abductees return to Japan and to let their family members later leave the country. However, there has been no sign of progress regarding the other abduction victims whom the North reported had already died. The Asahi Shimbun interviewed Special Advisor Kyoko Nakayama, head of the abduction issue headquarters, about what has occurred over the past 10 years.

Kyoko Nakayama: Arrangements finally completed for government to demand North to send abductees back to Japan

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-- How do you look back over the past 10 years?

Abductee family members called on the government to rescue their daughters or sons who had been kidnapped by North Korea, mentioning their names. Based on the judgment that as long as their names are undisclosed, there will be no progress, the family members made a bold decision to disclose the names of their children who had been abducted, as I recall.

-- I remember that you assumed the post of cabinet secretariat advisor in September 2002, just after the Japan-North Korea summit was held.

At that time, relations between the government and abductees' families were strained. It was my role to coordinate views with the victims' families. In December, such families began to say, "We trust the government."

Since around that time, my duties linked to the abduction issue increased, but I thought such duties went beyond the job description as an advisor. So I insisted on the need to establish an office tasked with addressing the abduction issue in a comprehensive way. But my suggestion was turned down, and I felt my role had ended.

-- You left the government in September 2004, quitting as advisor. But you returned to the post last September. Why?

I received a phone call from Prime Minister Abe asking me to join the cabinet as an advisor. I could sense his enthusiasm to seriously address the abduction issue. It was Prime Minister Abe when he was deputy chief cabinet secretary in October 2002 who decided not to send the five repatriated abduction victims back to North Korea on the government's responsibility. Since I recommended the headquarters plan, I thought I had to accept the offer.

Four months after the headquarters was set up, operation expenses have been included in the supplementary budget, and arrangements have been finally completed for the government in unity to demand the North to return abduction victims.

-- When you were ambassador in Uzbekistan, you were engaged in rescuing four Japanese nationals kidnapped by armed insurgents, weren't you?

I firmly believed at that time that "it is the government's duty to rescue Japanese abduction victims. Even so, negotiations with North Korea are very difficult. The North still holds hostages. We will have to continue persuasion efforts until North Korea realizes that "returning the hostages will benefit us more."

-- How do you think sanctions against the North should be linked to

a settlement of the abduction issue?

I think it is desirable for Japan to have friendly ties with North Korea as its neighbor. But it is impossible to establish such relations with a country that forcibly took people away from Japan by putting gags into their mouths and has not allowed them to return to Japan, depriving them of their freedom.

Taking sanctions is one means to have the North understand our thinking, that is, "we can't let things go on like this." The United States' financial sanctions worked to bring the North back to the

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six-party talks. If North Korea becomes aware of the necessity for negotiations, the North might agree to hold bilateral talks with Japan over the abduction issue.

-- Some persons insist that the current North Korean regime must be toppled in order to resolve the abduction issue.

What the government must pursue is the rescue of the abduction victims. What to do with the regime is up to the North Koreans. Should the regime collapse and the situation fall into confusion, we will have to work out another means to rescue the victims.

-- Mr. Taku Yamasaki visited North Korea and held talks with its senior officials, didn't he?

He made the visit not on the behalf of the government, so there will be no effect of the visit on the government's policy.

(4) Japan, US to revise operations plan by September for Korean Peninsula emergency; Airports, seaports to be expropriated for US military use

AKAHATA (Page 1) (Full)
January 30, 2007

Japan and the United States are currently in the process of revising their joint operations plan in anticipation of an emergency on the Korean Peninsula, sources revealed yesterday. The Japanese and US governments are expected to work out a revised joint operations plan by September, according to the sources. This work is intended to have the now-enacted emergency laws of 2003 and 2004 reflected in their bilateral defense planning. The laws allow the government to expropriate civilian facilities, including airports and seaports, for the US military's use during emergencies. They are planning to mobilize the Japanese archipelago in its entirety for the United States' military intervention in the Korean Peninsula.

The current joint operations plan is based on the Regional Contingency Security Law, which stipulates Japan's cooperation with the US military for its intervention in the Asia-Pacific region. The government was not allowed to expropriate civilian facilities for the US military's use. However, the newly enacted laws allow the government to do so.

The Japanese and US governments agreed thereafter in October 2005 to realign US forces in Japan and decided to "reflect Japan's emergencies legislation" in their bilateral defense planning. The two governments then began revising their joint operations plan.

On November 21, 2006, the government held a meeting of senior officials from its ministries and agencies concerned at the prime minister's office to discuss bilateral defense planning for the first time in seven years, according to the Cabinet Secretariat's answer to a question asked by Yasuo Ogata, a House of Councillors member with the Japanese Communist Party.

Shortly thereafter, on December 13, the "Bilateral Planning Committee" (BPC) also met in Tokyo for the first time in four years. The BPC is made up of the deputy commander of US Forces Japan, the vice chief of staff of the Self-Defense Forces, and other uniformed officers from the SDF and USFJ, and it actually plans joint operations for the SDF and USFJ.

The BPC meeting was presumably intended to begin the work of retouching the joint operations plan in response to the Japanese government's confirmation of its decision to update the plan.

The government has revealed nothing about what to revise in the joint operations plan. However, one of the scenarios simulated in the plan is "an emergency on the Korean Peninsula," according to an informed source.

This scenario is codenamed "5055" in the Japanese and US governments.

(5) FTC proposal for easing corporate merger screening standards will pave way for major corporate reorganization in domestic industries

ASAHI (Page 3) (Almost Full)
February 2, 2007

The Fair Trade Commission (FTC) on January 31 revealed a draft amendment to the guidelines for corporate mergers. The new guidelines are bound to have a major impact on corporate strategy. Major reorganization, which has thus far been viewed as impossible, could occur. This newspaper explains the mechanism in a question-and-answer form.

Q: What is merger screening?

A: When a company forms a merger with or acquires another company, it is necessary for it to notify the FTC of the plan for approval. If companies form a merger in order to avoid competition and a company created as a result of the merger raises prices, consumers and its business partners would suffer losses. The FTC determines the propriety of planned mergers in compliance with the Anti-Monopoly Law in order to prevent such a thing from occurring.

Q: How is the FTC going to revise the guidelines?

A: To begin with, it will change the scope of markets, the arena of competition. The existing guidelines only focus on the domestic market, but the proposed plan mentions that overseas markets will be taken into consideration, depending on the case. This is to cope with the reality that companies are engaging in global competition.

For instance, Sharp commands an overwhelming share on the domestic market, but on the global market it is one of higher-ranked companies along with Sony and Samsung Electronics. The plan is to determine whether a planned M&A could impede competition or not in global-scale and real terms.

Q: Please be more specific.

A: Under the new guidelines, the standard for determining that a planned merger has low possibility of impeding competition has been eased. Currently, if the share of a merged company is 35% or lower and if the merger is between leading competitors in an industry whose degree of oligopoly (HHI) is below 1800, this merger plan can be considered as having low possibility of impeding competition. The revised plan sets a share standard at 35% or lower and the HHI at 2500 or lower.

New guidelines are of no benefit to consumers? Companies created as result of mergers may find it difficult to raise prices

Q: What will be the impact of the revisions?

A: As indicated in the chart, there will be an increase in M&As that will require no screening. Business circles gave high scores to this point with Nippon Steel President Akio Mimura commenting, "It is a breakthrough." They welcome not only the easing of the screening

standard but also an amendment to guidelines for prior consultation procedures, which are said to be unclear and complicated.

Q: Will such changes boost a move for M&As?

A: That is right. The ruling parties and the Ministry of Economy, Trade and Industry (METI) have called for revisions to the examination standards in alliance with business circles in order to enhance domestic companies' international competitiveness through reorganization. Just at such a time, Mittal Steel commanding the top share in the global steel industry, and Arcelor with the second largest share merged last year. Some METI officials take the view that a major merger between Japanese companies will become possible, as one senior official put it.

The FTC's another aim in easing the guidelines is to ease the vexation felt by companies that it is difficult to fathom what judgment the FTC will reach. Given the track records of screening carried from fiscal 2001 through fiscal 2005, the share of a company created as a result of M&As topped 50% in 60% of cases. The FTC's intention was that the guidelines should be eased to reflect this situation.

Q: Won't consumers be disadvantaged?

A: In drafting the revisions, the FTC has had difficulty coordinating views with business circles and METI, which prioritize strengthening corporate competitiveness, since it attached importance to consumer interests. In a questionnaire carried out by METI, most companies replied, "It would be difficult to raise prices even after a merger." Even so, it is still important to verify whether M&As are not impeding competition even after the examination standard is eased.

Outline of draft revisions to merger examination guidelines

7 Adopt HHI as a benchmark in determining whether a planned merger requires examination or not.
7 Expand the scope of applied mergers that can be determined as having no need to go through screening or having low possibility of impeding competition.
7 Categorically mention that the market includes overseas markets as well
7 Improve information disclosure regarding past examination records
7 Speed up and bring transparency to the screening process revising guidelines for prior consultation procedures as well.

(6) "Information on hospitalization" of Takeo Hiranuma aimed at shaking LDP?

THEMIS (Page 38) (Full)
February 2007

It was reported that Takeo Hiranuma, former minister of economy, trade and industry, has been hospitalized after suffering a stroke. A political journalist, however, said: "That might be a strategy to

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shake up the executive of the Liberal Democratic Party (LDP) and LDP Upper House Caucus Secretary General Toranosuke Katayama."

According to sources familiar with Hiranuma's support group, Hiranuma was admitted into the hospital on Dec. 6 last year after falling ill while dining with 11 lawmakers -- all former postal rebels who have now rejoined the LDP. He now speaks with a hoarse voice and has been undergoing rehabilitation because he cannot walk without holding on to a handrail. He was diagnosed with a mild stroke. His doctor has said that since Hiranuma is steadily recovering from his illness, he will definitely be able to return to politics.

The journalist analyzed that it was strange that the information about his stroke was not disclosed for about a month. Although it is true that he fell ill, the possibility is strong that the news of Hiranuma's hospitalization was timed to annoy LDP Secretary General Hidenao Nakagawa, who forced Hiranuma to take a litmus test for his

approval of postal privatization. It is reported that he will not return to politics before late March, a delicate timing with an eye on unified local elections and the House of Councillors election. Therefore, behind his hospitalization there is a maneuvering to play up his political presence.

Katayama also is concerned, saying, "I heard the rumor of (his hospitalization) at the beginning of the New Year. Mr. Hiranuma really must have become fatigued." A local political source predicts that if Katayama doesn't get support from Hiranuma for his campaigning for the July Upper House election, he could lose his Diet seat. If Hiranuma fully recovers, there is no doubt that he will become one of the candidates in the race to succeed Prime Minister Shinzo Abe.

(7) Foreign Ministry officials awed by appointment of Tsuneo Nishida as ambassador to Canada

THEMIS (Page 38) (Full)
February 2007

Prime Minister Shinzo Abe has yet to show where his leadership lies. But at least officials in the Ministry of Foreign Affairs (MOFA) are afraid of him because of his appointment of Deputy Minister Tsuneo Nishida, who joined the ministry in 1970, as ambassador to Canada. The appointment was adopted in a cabinet meeting on Jan. 16. Nishida reportedly was overheard talking rudely, having got drunk in an off-the-record meeting at the Kasumi Club: "Abe has become arrogant;" "(Chief Cabinet Secretary) Shiozaki will reach a dead end;" and "(Spokesperson) Seko is a fool."

Deputy Minister Mitoji Yabunaka, whom Prime Minister Abe trusts, joined the ministry in 1969. He was named as deputy minister for political affairs. Foreign Policy Bureau Director General Masaharu Kono, who entered the ministry in 1973, was appointed to replace Yabunaka as deputy minister for economic affairs.

A source well-connected in MOFA says:

"Nishida was regarded as a star of the ministry and he was believed to become administrative vice minister. But in response to a UN Security Council resolution on North Korea over the North's launch of missiles last July, he was at odds with then Chief Cabinet Secretary Shinzo Abe. Another reason is that Lower House member

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Muneo Suzuki and Masaru Sato, a MOFA official on administrative

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leave, named him as "one of the three officials who would ruin MOFA."

There is no doubt that Nishida's appointment as ambassador to Canada is a dismissal in effect.

(8) Rumor that Vice Defense Minister Moriya may remain in post floated due to post-Moriya candidate's alleged sexual harassment case

THEMIS (Page 41) (Full)
February 2007

The Defense Ministry was established on Jan. 9. Takemasa Moriya, who entered the defense agency in 1971, was moved laterally to the administrative vice defense minister post. Moriya intended to voluntarily retire this summer, making the upgrading of the Defense Agency to a ministry as his swan song, but the rumor is that he may be appointed to serve a fifth year in his current post, which is extremely unusual.

Although Defense Policy Bureau Director General Kazuo Ofuru, joined the defense agency in 1973, was the most likely candidate to succeed Moriya, the expectation is that his promotion will be shelved, faced with strong opposition by junior and mid-level officers. The idea suddenly comes up is that Tetsuya Nishikawa, director general of the Minister's Secretariat, who joined the National Police Agency in

1972, may be promoted to the vice minister's post, instead of Ofuru. He has had little experience of serving in the Defense Policy Bureau, but he worked hard along with Moriya to carry out spadework, which was highly valued. "He is an unusual person in the Defense Ministry, many of whom tend to intervene by words," said a source well-connected in the Defense Ministry.

It is ironical that an official hailing from the National Police Agency will control the Defense Ministry. The big reason is that Moriya has got rid of competent defense officials. Among the candidate to replace Moriya, there reportedly is an official who allegedly committed an act of sexual harassment.

The next vice minister will have to handle the realignment of US forces in Japan, which will reach a critical point. If Nishikawa handles the matter successfully, he will gain high marks. If negotiations between the government and Okinawa become bogged down, chances are that Moriya will remain in his post.

SCHIEFFER